

12 Technological informality as a development strategy: Iconic ikeja computer village at risk, in book *Private Sector Development in an Emerging World*.

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Abstract:

A paradox of informal economy in development is the government's ambivalent and contradictory attitude. The Ikeja computer village provides an iconic example of organic growth of high-tech micro enterprises through traditional apprenticeship system that has resulted in employment opportunities for individuals who jostle in the market for jobs and commission for menial repairs or profits on sales at big stores. This paper argues that the government's plan to relocate the Ikeja computer village away from its traditional location puts the economic gains from several decades of the evolution of technological informality at risk. The government wishes to promote the cluster but its actions appear to be based on a misinterpretation of developed country high-tech experience, and thus serves to suppress the self-replicating growth dynamics of the cluster. Attempting to fit the cluster into the format of a modern industrial enterprise is likely to raise operating costs, removing its competitive advantage of supplying computer IT goods and services at low cost to the broader economy. Government authorities should engage with the leadership of informal technology complexes to better understand what initiatives would be helpful to enhance the clusters rather than assuming that the cluster has to be swept away and replaced by a top-down development initiative. Instead of focusing on persuading cluster leadership to adapt to governmental authority initiatives, the process should be reversed with government listening to and addressing the concerns of the cluster. This will potentially enhance the indigenous process of development rather than stifling it.

Keywords: Informal economy, technological informality, triple helix, micro enterprises, Ikeja computer village